

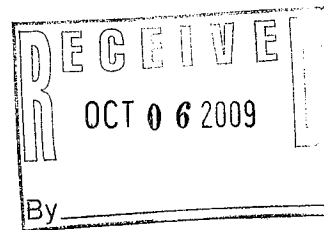
AI#97168



147 Big Blue Blvd.  
Whitesburg, KY 41858  
(606) 633-0175  
(606) 633-0746 (fax)

## Sapphire Coal Company

October 2, 2008



Ross Bishop  
KPDES Branch, Division of Water  
Frankfort Office Park  
14 Reilly Road  
Frankfort, Kentucky 41601

RE: Sapphire Coal Company  
Application No. 867-5296  
KPDES Coverage Application

Dear Mr. Bishop:

As per our discussion, the area proposed for coverage has no discharge to monitor at this time. Sapphire Coal Company is requesting a variance of two years from the time of site construction to monitor and submit the effluent characteristic data for KPDES coverage.

Should you have any questions concerning this matter, please contact our office at your convenience.

Sincerely,

Chad Boyd  
Permit Technician  
Sapphire Coal Company

**SECTION IV – COE CWA SECTION 404 PERMIT INFORMATION**

Has a Clean Water Act Section 404 permit been obtained from the Army Corps of Engineers for any or all sediment structures, fills or stream crossings?  
No, N/A

Permit Number: N/A

Permit Issuance Date:

Activities covered by permit:

**SECTION V – OTHER ENVIRONMENTAL APPROVALS AND PERMIT INFORMATION**

CATEGORY	EXISTING PERMIT WITH NUMBER	PERMIT NEEDED WITH PLANNED APPLICATION DATE
401 Water Quality Certification		
Drinking Water		
Wastewater Construction		
Water Withdrawal		
Air Emissions		
Solid or Special Wastes		
Hazardous Waste Registration /Permit		

**SECTION VI – STREAM CHARACTERISTICS**

**This requirement applies to new operations or existing operations expanding into a new watershed. It does not apply to existing operations which are not expanding into a new watershed or when only underground acreage is being added to an existing operation.**

Complete a Stream Characteristics Data Sheet (page 5) for each of three locations on each receiving stream.

**SECTION VII – BEST MANAGEMENT PRACTICES (BMP) PLAN**

Check one the following boxes.

☒ The company wide generic Coal BMP Plan shall be implemented for this activity within 90 days of the granting of coverage under the KPDES Coal General Permit.

☐ A site specific BMP shall be developed, and implemented for this activity within 90 days of the granting of coverage under the KPDES Coal General Permit.

☐ The Oil & Grease requirements of the KPDES Coal General Permit shall be followed.

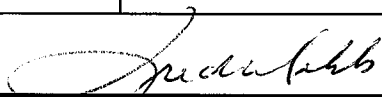
**SECTION VIII – CERTIFICATION**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

NAME AND OFFICIAL TITLE  
(Type or Print) Fred Webb. – Engineer/Agent

Telephone Number: ( 606 ) 633 - 0175  
(Area Code and Number)

SIGNATURE:



DATE: 10/05/09

**SECTION IX – NOI PREPARER INFORMATION**

Preparer Name: Paul Price

Mailing Address: 147 Big Blue Boulevard

City, State, Zip Code: Whitesburg, Kentucky 41858

Phone Number: Home # ( 606 ) 476-8531 Work # ( 606 ) 633 - 0175 Pager # ( ) -

This completed application form and attachments should be sent to: KPDES Branch, Division of Water, Frankfort Office Park, 14 Reilly Road, Frankfort, Kentucky 40601. Questions should be directed to: KPDES Branch, Inventory and Data Management Section at (502) 564-3410.

## II. Alternatives Analysis - continued

3. Has water reuse or recycle been investigated as an alternative to discharge?  
(If yes, then provide the reasons why it is not a feasible alternative)

Yes



No



Water recycling will be used as much as possible, water will be reused will be for dust control (watering of roads and face up area) as well pumped to a tank and used for underground dust control, however this will be a small percent, compared to the total that will be controlled by the pond. Another method of reuse would be for the residents to use for watering their livestock and irrigation for crops. However there is little live stock in the area and the irrigation would only be seasonal having a minimal effect. During a 25 year 24 hour storm event 14,955,106 gallon of water would be treated by the pond.

4. Have alternative process or treatment options been evaluated?  
(If yes, then indicate what process or treatment options have been evaluated and provide the reasons they were not feasible.)

Yes



No



All mining sites are required to have sediment ponds to control runoff from the areas. Therefore, we are limited to choosing the site with the least impact. Other methods of mining were considered however the coal seam lies at a very low elevation very near the stream level. Therefore there is no room to construct support structures such as ponds and fills needed for contour mining and this method would cause more disturbance and have more runoff to control. The underground method being proposed will create less disturbance and cause less runoff and pollution than any other method of mining and will recover 80 % of the coal seam eliminating the possibility of remining the area. The cost of mining by this method compared to contour mining could result in the difference of cost of approximately \$5,000,000 to \$10,000,000 or more due to the cost of fuel , blasting, material handling and reclamation.

Constructing a sand filter on site was looked but limited room was a large factor and they are not very effective in removing the types of sediment from a mining operation and would have to back flushed continually costing additional money. They are not very effective at handling large volumes of water during a heavy storm event. The capital cost of an on-site treatment plant like one used for treatment of domestic sewage is \$300,000. Also after the operation is complete removal disposal an reclamation of the unit would cost an additional \$150,000 or more.

It is not common practices to have any controlled hydrologic releases. However, if it were to become necessary to have a controlled hydrologic release it will be at a time that the stream is flowing at a rate of 1 cfs or grater. Any controlled release will be monitored for water quality (with samples taken) during the release.

### III. Socioeconomic Demonstration - continued

Yes

No

14. Does this project eliminate any other sources of discharge or pollutants?  
(If so describe how.)



This project consists of a dug-out on bench sediment structure, ditches and berms when constructed will reduce the amount of pollution discharged into the water as a result of mining activities. Pollution will be decreased from the waterways when this pond is constructed and will aid in the water quality from the previous existing disturbance of the site. Upon completion of the operation the entire area including the areas of previous disturbance will be reclaimed with an excellent vegetative cover. This structure will treat the water before it enters the streams. After reclamation, a section of currently disturbed and un-rehabbed stream will be returned to a productive state and currently bare areas will be reclaimed.

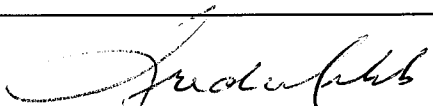
15. How will the increase in production levels positively affect the socioeconomic condition of the area?

An increase of production from mining in this area (Letcher county Kentucky) will provide more jobs in a region that is economically depressed were jobs are desperately needed. This in turn will improve the socioeconomic condition of the area, more jobs can be added and boost the future economy. This facility would add an additional 20-30 employees and jobs that will add an extra \$1,200,000 to \$1,800,000 into the economy and insure the employment of the existing employees. Also provide a reliable tax revenue for the areas future development and economy of Letcher county.

16. How will the increase in operational efficiency positively affect the socioeconomic condition of the area?

This operation will result in the production will result in more product (5,000,000tons of coal from this one facility)available for sale, which will insure the employment stability in the mining industry. The stability will positively affect the socioeconomic condition of the region . This will increase the tax revenues, improve the school systems for the community, road construction and maintenance and help provide monies for much needed water and sewage projects for the area (15% of all severance money is returned to the county), as well as provide cheaper electricity and other coal products.

**IV Certification:** I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Name and Title:	Fred Webb – Engineer / Agent	Telephone No.:	(606)633-0175
Signature:		Date:	10/05/09